

Senate Study Bill 1171 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act requiring every insurer offering certain individual or
2 group health insurance policies to provide coverage for
3 treatment of certain inborn errors of metabolism with a
4 dietary restriction.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 514C.30 Enteral formulas —
2 coverage.

3 1. Notwithstanding the uniformity of treatment requirements
4 of section 514C.6, a policy or contract providing for
5 third-party payment or prepayment of health or medical expenses
6 shall not exclude or restrict benefits for enteral formulas for
7 home use for which a practitioner licensed by law to prescribe
8 and administer prescription drugs has issued a written
9 order, if such policy or contract provides benefits for other
10 outpatient prescription drugs or devices. Such written order
11 must state that the enteral formula is medically necessary for
12 the patient.

13 2. For purposes of this section, "*enteral formula*" means
14 a formula which has been proven effective for the treatment
15 of inborn errors of metabolism with a dietary restriction,
16 which if left untreated will cause malnourishment, chronic
17 physical disability, mental retardation, or death. "*Enteral*
18 *formula*" includes low-protein medical food and metabolic
19 formula prescribed for persons diagnosed with inborn errors of
20 metabolism with a dietary restriction. The commissioner, by
21 rule, shall further define "*enteral formula*".

22 3. a. This section applies to the following classes of
23 third-party payment provider contracts or policies delivered,
24 issued for delivery, continued, or renewed in this state on or
25 after July 1, 2013:

26 (1) Individual or group accident and sickness insurance
27 providing coverage on an expense-incurred basis.

28 (2) Any individual or group hospital or medical service
29 contract issued pursuant to chapter 509, 514, or 514A.

30 (3) Any individual or group health maintenance organization
31 contract regulated under chapter 514B.

32 (4) Any other entity engaged in the business of insurance,
33 risk transfer, or risk retention, which is subject to the
34 jurisdiction of the commissioner.

35 (5) A plan established pursuant to chapter 509A for public

1 employees.

2 (6) An organized delivery system licensed by the director
3 of public health.

4 b. This section shall not apply to accident only,
5 specified disease, short-term hospital or medical, hospital
6 confinement indemnity, credit, dental, vision, Medicare
7 supplement, long-term care, basic hospital and medical-surgical
8 expense coverage as defined by the commissioner, disability
9 income insurance coverage, coverage issued as a supplement
10 to liability insurance, workers' compensation or similar
11 insurance, or automobile medical payment insurance.

12 EXPLANATION

13 This bill creates new Code section 514C.30 and provides
14 that a policy or contract providing for third-party payment
15 or prepayment of health or medical expenses which provides
16 coverage benefits for other outpatient prescription drugs or
17 devices shall not exclude or restrict coverage benefits for
18 enteral formulas for home use prescribed by a practitioner as
19 being medically necessary and proven effective as a disease-
20 specific treatment regimen for individuals who are or will
21 become malnourished or suffer from disorders, which, if left
22 untreated, will cause chronic physical disability, mental
23 retardation, or death.

24 The bill defines "enteral formula" as a formula which has
25 been proven effective for the treatment of inborn errors of
26 metabolism with a dietary restriction which if left untreated
27 will cause malnourishment, chronic physical disability, mental
28 retardation, or death. "Enteral formula" is defined to include
29 low-protein medical food and metabolic formula prescribed for
30 persons diagnosed with inborn errors of metabolism with a
31 dietary restriction. The bill provides that the commissioner,
32 by rule, shall further define "enteral formula".

33 The bill provides that the new Code section applies to
34 third-party payment provider contracts, or policies delivered,
35 issued for delivery, continued, or renewed in this state on or

S.F. _____

1 after July 1, 2013.